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DIRECTORATE OF  
INTELLIGENCE

# *Central Intelligence Bulletin*

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Vietnam: Hanoi's high-level negotiator, politburo member Le Duc Tho, is on his way back to Paris.

According to the Communist press, Tho is returning to the French capital, after some seven months in Hanoi, to attend the 19th Congress of the French Communist Party next week. The Western press, however, has already begun to speculate that his trip shows a renewed interest by Hanoi in the negotiations.

This speculation is probably exactly what the Communists have in mind. They may calculate that Tho's presence in Paris will generate interest in, and pressure for, naming a successor to Ambassador Lodge. Communist intransigence in recent months has facilitated US and South Vietnamese efforts to show that progress in the negotiations is only possible if the Communists show some flexibility. Hanoi is anxious to counter this impression and to put the onus for the lack of progress back on the US.

There is probably more than this to Le Duc Tho's return, however. The Chinese Communists made no comment when he transited Peking, suggesting that, at least in Chinese eyes, his return to Paris is directly associated with the talks. When Tho returned to Paris last spring after several months in Hanoi, it was only a matter of days before the Vietnamese Communists introduced their ten-point peace proposal. This time, however, the official pretext for Tho's trip could be used to explain his visit if it results in no new initiatives. Tho's return to Paris may well signal the conclusion of another round of Hanoi policy deliberations, and he is probably bringing the latest Communist plans for both the war and the negotiations to the Paris negotiating team.

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Tho probably would not participate directly in the talks unless Washington appointed a new chief for the US delegation. Xuan Thuy, the head of the Hanoi delegation, has boycotted the talks since Ambassador Lodge left. Tho's presence in Paris may mean, however, that the Communists intend to make greater use of the Paris talks to further their objectives in South Vietnam than they have in the past six months.

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Czechoslovakia: The latest developments at the party central committee plenum indicate that Husak is still trying to satisfy Soviet requirements without a full reversion to Stalinist repression.

A 12-member party commission has been set up to oversee a program for revalidating the credentials of each party member. The commission is dominated by prominent pro-Soviet conservatives, which suggests that substantial numbers of party members will be dropped during the coming year.

Husak appears determined, however, that those dropped shall not be subject to prosecution. An article in yesterday's major party daily instructed the membership that the changes are a concerted effort to assemble a more efficient and unified regime rather than an act of revenge. The new federal minister of interior--a crucial position at present--reportedly is Husak's personal choice.

The central committee has also streamlined the federal government apparatus in an effort to cope with its economic problems. Five ministers and one deputy premier with expertise in economic and technical fields are included in a reorganized cabinet. In addition, the federal post of "state secretary" has been abolished, removing a bureaucratic level that had been created to give minority Slovaks equal representation in the Czechoslovak cabinet.

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Belgium: Walloon and Flemish differences continue to threaten Prime Minister Eyskens' Social Christian - Socialist coalition.

The latest challenge comes from the leaders of the Walloon branch of Eyskens' own Social Christian Party. They have threatened to resign from the cabinet if it cannot soon agree on solutions to two vexatious issues and present them to parliament by mid-February. They have failed to carry out such threats in the past, however, and may back down again.

The issues concern broadly the relationship between Belgium's Flemish and Walloon communities, and specifically the status of minority Flemings in Brussels and minority Walloons in its suburbs. No government in the past decade has been able to muster the necessary votes in parliament behind any proposed solution to the competing political interests. The latest effort, in an extraparlimentary committee, failed last fall.

Moreover, the government since early January has been faced with wildcat strikes in the depressed coal mines of Limburg Province, where the strikers have been influenced by militant Flemish nationalists, radical students, and anti-establishment clergy. Many Belgians see a parallel with the strikes of 1960-61, which brought down Eyskens' last coalition.

Eyskens' chances of muddling through rest on his ability to sidetrack contentious issues and on the aversion of the major parties to a national election at a time when militant nationalist parties are on the rise.

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Greece: Recent moves to expand trade with Communist countries are designed primarily to offset a widening trade deficit. They do not herald a fundamental change in Greek foreign policy, but provide the junta with a means for venting its irritation over Western criticism.

Greece would like to increase exports of surplus tobacco and citrus fruit to the USSR and Eastern Europe to offset a trade deficit with these countries that probably rose from \$20 million in 1968 to \$25 million in 1969. Moreover, the share of exports to these countries fell from 24 percent of total exports in 1966 to 17 per cent in the first half of 1969. The USSR and Eastern Europe are often prepared to accept agricultural products in payment for capital goods, but prospects for greatly expanded trade appear limited.

The recently signed Greek-Soviet trade agreement for the first time lowered tariffs on certain Soviet-manufactured goods.

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Soviet trade with Greece has declined since 1966. Last year's trade probably remained in the neighborhood of the \$50 million recorded in 1968.

Greece thus far has taken only limited steps to increase its trade with Eastern Europe. Athens has concluded an agreement with Albania that envisages annual trade of only about \$1.5 million. It has raised its credit ceiling to Bulgaria by \$2.5 million to cover exports of citrus products. Greece also has announced its intention to establish a chamber of commerce mission in East Germany to promote the sale of its products

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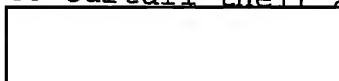
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Rhodesia-Zambia: Prime Minister Ian Smith has publicly warned the Zambian Government against continuing its assistance to guerrillas.

Smith's warning, his strongest to date, comes two weeks after dramatic and well-publicized raids by Rhodesian nationalists on a border police post and the airport at Victoria Falls. Smith was under pressure then to strike back militarily against Zambia, where the guerrillas have their staging bases. He seems to have decided not to take any action this time. If another similar incident occurs, however, he will probably feel compelled to retaliate.

Rhodesia has a number of options available. It could close down its rail service to Zambia, on which the Zambians depend heavily to export their copper. It could cut off power from the Kariba dam, on which Zambia relies for most of its electricity. Rhodesian military forces could even attack the guerrilla camps just inside Zambia with impunity.

Smith would probably prefer to avoid the unfavorable publicity and international pressures that would result from a military strike. His veiled threat of retaliation will probably be enough, however, to prompt the Zambians to press the Rhodesian nationalists to curtail their activities at least temporarily.



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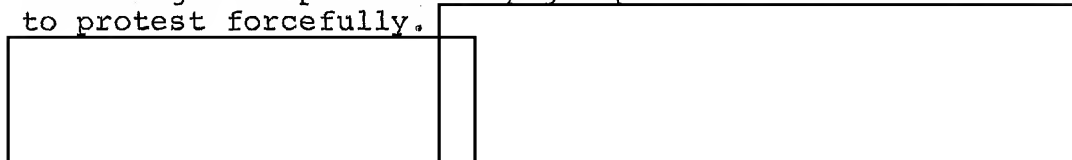
Costa Rica: The unusually large number of candidates and parties in Sunday's general elections increases the possibility of a surprise outcome.

Jose "Pepe" Figueres has held his lead in the presidential race because of the disunity of the forces opposed to his opposition National Liberation Party. In addition, Costa Rica has a recent tradition of replacing the party in power. Nevertheless, the other major candidate, Mario Echandi of the National Unification Party, has made gains by charging that Figueres and his party are aligned with the Communists. Because a number of minor parties, including the Christian Democrats and a Communist front group, are in the race, it is possible that no candidate will win the 40-percent plurality that is required for the presidency.

The traditionally vitriolic contest has been particularly abusive this year because the campaign has focused on the competition between Figueres and Echandi, who are long-time political rivals and ex-presidents. The slanderous accusations that have been exchanged promise an extended period of national disunity.

Civil guard units have been put on alert in anticipation of possible armed action by hothead elements on the losing side. Both major parties are confident of winning, and either will find it difficult to accept defeat gracefully.

Adding to the potential for postelection violence, a Communist front group is likely to win at least one seat in the legislature--a development which rightist paramilitary groups have threatened to protest forcefully.



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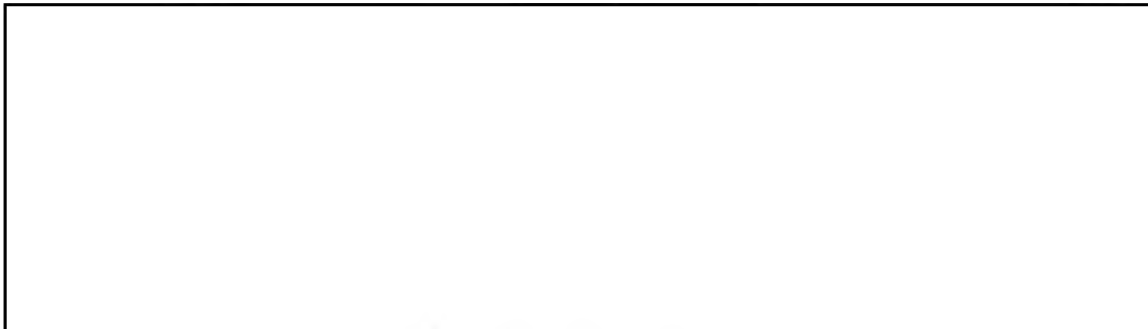
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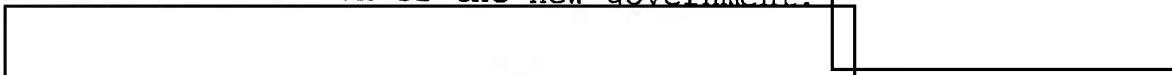
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Italy: The four center-left parties--the Christian Democrats, the Socialists, the right-wing Unitary Socialists, and the Republicans--have made progress toward an agreement on the general principles for a new coalition government. If the executive directorates of the four parties approve an agreement, Prime Minister Rumor could resign as early as 31 January. Some weeks of further negotiation on government posts and details of the coalition's program would probably be necessary before the installation of the new government.

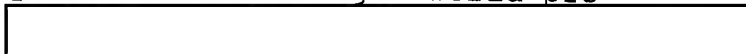
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Poland-Iraq: The first shipment of Polish equipment for exploiting sulfur deposits at Mishraq was sent to Iraq in mid-January. Poland agreed last May to develop these mines under a contract valued at \$30 million. The mines, scheduled to be completed in three years, are expected to have an annual output of nearly 1.3 million tons. With the development of these mines Iraq will become a major world producer of sulfur.

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India: Mrs. Gandhi's announcement that the disputed city of Chandigarh will be given to the Punjab should avert disturbances in that northwestern state. The city has served as the joint capital of the Punjab and Haryana, which also claimed Chandigarh, since 1967. Despite such concessions to Haryana as financial help to build a new capital and the transfer of some land from the Punjab, a violent reaction to the announcement is possible in Haryana and in Chandigarh.

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Dominican Republic: Dissident groups have seized upon the continued unexplained disappearances of government opponents to initiate student protests around the country this week. Secondary school youths, responsive to Communist-led organizations, have come out in considerable numbers, and police have been confronted with widespread disturbances. The theme of alleged government repression will continue to generate unrest during the period preceding the May presidential elections, but the police have proven tough, generally effective, and more than willing to do battle with students. President Balaguer is probably ready to employ harsh measures if necessary to maintain the relative stability that has characterized his administration.

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NATO: The North Atlantic Council, meeting on 28 January, agreed in principle to the suspension of the temporary travel document (TTD) system regulating the entry of East German nationals into Allied countries. The agreement was based upon terms proposed by the US, UK, France, and West Germany, suggesting that the suspension be implemented some time before the NATO ministerial meeting in May, but not until the Soviet response to the tripartite sounding on Berlin has been reviewed. As expected, Denmark stated its intention to dissociate itself from the TTD system on 31 March regardless of NATO's plans. The timing problem will be readressed by the Council on 25 February.

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